GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:3636
ANSWERED ON:12.12.2001
TONNAGE TAX STRUCTURE
VILAS BABURAO MUTTEMWAR

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government propose to restructure the tonnage tax with a view to make the shipping industry more competitive and profitable;

(b) the existing tax structure and changes proposed to be effected therein;

(c) the profit earned by the shipping industry during the last two years;

(d) whether any consultation has been held with the shipping industry in the matter; and

(e) if so, the details of the revised tax structure finalised, if any?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD Y. NAIK)

(a) & (b) : No, Sir. There is no such proposal as of now. Normal Corporate tax is applicable to Shipping Industry.However, the Industry has been asking for replacement of this regime with tonnage tax regime.

(c): The Shipping Corporation of India (SCI) earned a net profit of Rs.161.6 crore and Rs. 382.6 crore during 1999-2000 and 2000-2001 respectively. Further, the Shipping industry saved / earned foreign exchange to the tune of Rs.3307 crore and Rs.3535 crore during 1998-99 and 1999-2000 respectively.

(d) : Consultation with Shipping Industry is a continuous process.

(e) : Does not arise.